



Appropriations Update

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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Volume 3, No. 26

17 November 2003

FISCAL YEAR 2004 ENERGY AND WATER APPROPRIATIONS BILL Conference Report

SUMMARY

The conference report accompanying the Energy and Water appropriations bill (H.R. 2754; H.Rept.108-357) provides new budget authority [BA] of \$27.328 billion and outlays of \$27.341 billion for fiscal year 2004, which began on 1 October 2003.

The measure exceeds by \$248 million the most recent 302(b) suballocation issued by the full Appropriations

Committee for the Subcommittee on Energy and Water. Consequently, the conference report violates the Congressional Budget Act, and a point of order would lie against consideration of the measure.

As is customary with conference reports, it is expected this measure will be taken up under a rule that waives all points of order against the measure itself and its consideration.

COST OF THE LEGISLATION

As noted, the conference report provides \$27.328 billion in new BA and \$27.341 billion in outlays for 2004 – an increase of \$1.472 billion in BA and an increase of \$1.865 billion in outlays from fiscal year 2003 (see Table 1 below). BA increases by 5.7 percent from the previous year, and is \$527 million above the President's request.

With enactment of this conference agreement, spending in the energy and water appropriations bill will have increased an annual average of 6.1 percent in the 2000-04 period. The conference report does not contain emergency-designated BA, but does include \$15 million in rescissions of previously enacted BA, with no related outlays.

Table 1: Energy and Water Appropriations Bill
(fiscal years; millions of dollars)

	2003 Spending ^a	Administration 2004	302 (b) for 2004	Bill
Budget Authority	25,856	26,801	27,080	27,328
Outlays	25,476	27,006	27,211	27,341

^a Does not include \$300 million in BA and \$79 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).

COMPLIANCE WITH THE BUDGET RESOLUTION

The \$27.328 billion in fiscal year 2004 BA in this conference report exceeds by \$248 million the 302(b) suballocation to the Energy and Water subcommittee. The

conference report therefore does not comply with section 302(f) of the Congressional Budget Act, which prohibits consideration of the appropriations bills exceeding the

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respective subcommittee's suballocation. It is anticipated that this point of order will be waived with adoption of the rule for consideration of this conference report.

It has been argued that it is necessary to waive the Budget Act for appropriations conference reports, because section 302(e) of the Budget Act makes it impossible for the Appropriations Committee to issue 302(b) suballocations that reflect conference levels negotiated with the Senate. (Section 302(e) of the Budget Act requires that the 302(b) suballocation be consistent with actions taken to date on appropriations measures.) Nevertheless, the Senate Appropriations Committee cites section 302(e) as part of its authority to issue a suballocation that reflects anticipated

conference agreements. At any rate, without valid revisions to the 302(b) suballocation, the House Parliamentarian would view this measure as violating section 302(f) of the Budget Act, even if it were within targets privately agreed to by the House and Senate Appropriations Committees.

The conference report does not violate section 311(a) of the Budget Act. Section 311(a) prohibits consideration of legislation exceeding the aggregate levels of budget authority and outlays established in the concurrent resolution on the budget. Because other spending measures assumed in the budget resolution have not yet been enacted, the conference report does not cause a breach of the budgetary totals.

Table 2: Discretionary Spending in the Energy and Water Appropriations Bill
(in millions of dollars)

	2003 Budget Authority ^a	2003 Outlays ^a	2004 Budget Authority	2004 Outlays	Difference BA	Difference Outlays
Corps of Engineers	4,599	4,606	4,572	4,811	-27	205
Interior	908	941	957	998	49	57
Energy - Defense	15,513	15,131	16,398	16,309	885	1,178
Energy - Nondefense	4,632	4,581	5,172	4,989	540	408
Other	204	217	229	234	25	17
Total	25,856	25,476	27,328	27,341	1,472	1,865
^a Does not include \$300 million in BA and \$79 million in outlays included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).						

DISCUSSION

The conference report provides a \$1.472-billion increase over 2003 spending (see Table 2 above).

Compared with 2003, spending for the Department of Energy's defense accounts (Function 050) increases by \$885 million. The increases are for the National Nuclear Security Program (\$744 million), Environmental and Other Defense (\$28 million), and Energy Programs (\$113 million). (Budget functions are the categories into which spending amounts are distributed in the budget resolution.)

Spending in Energy's nondefense accounts (Functions 250 and 270) increases by a net of \$540 million. Increases in Energy Programs (\$528 million), Departmental Administration (\$10 million), and Power Marketing (\$12 million) are partly financed by a \$10-million increase in transfers from defense decommissioning funds.

The conference report increases spending for the Department of the Interior by \$49 million, compared with fiscal year 2003. The increases are for the Bureau of Reclamation [BOR] (\$47 million), and the Central Utah Project (\$2 million). The bill does not fund the BOR's California Bay-Delta restoration, as requested by the administration, because it is not authorized.

The measure provides the Corps of Engineers with a net of \$27 million below 2003 levels. There are reductions in construction (\$22 million), flood control and coastal emergencies (\$15 million), Flood Control-Mississippi River (\$19 million), general investigations (\$17 million), and formerly utilized sites (\$4 million). These reductions are offset by increases in operations and maintenance (\$41 million), general expenses (\$6 million), and other activities (\$3 million).

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Other agencies funded by the bill are a net of \$25 million above the previous year. Additional funding is provided for the Nuclear Regulatory Commission (\$25 million), the Denali Commission (\$7 million), and the Defense Nuclear Facilities Safety Board (\$1 million). (The Denali Commission is a seven-member panel focusing on economic and infrastructure development in rural Alaska.) These increases are offset by reductions in the Appalachian Regional Commission (\$5 million), and the Delta Regional Authority (\$3 million).

Relative to the President's request, the bill increases BA by a net of \$527 million. Increases include the Corps of Engineers (\$523 million, principally \$372 million in construction, and \$174 million in operations and maintenance, offset by reductions in flood control and coastal emergencies); Department of Energy nondefense

accounts (\$63 million); and the Department of the Interior (\$66 million, due to a \$72-million increase for the Bureau of Reclamation). Other accounts are \$81 million over the President's request largely due to increases for the Denali Commission (\$45 million), the Appalachian Regional Commission (\$33 million), and the Delta Regional Authority (\$3 million).

These increases are offset by a \$206 million reduction in the Department of Energy defense projects, due largely to Environmental and Other Defense Projects (\$157 million), and National Nuclear Security Administration (\$52 million).

The bill rescinds \$15 million worth of previously enacted BA from the Defense Environmental Management Privatization account. No outlay savings are attributed to this rescission.

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